

Testimony of Rep. John Lewis
House Committee on Ways & Means, Subcommittee on Select Revenue Measures
Hearing on Certain Expiring Tax Provisions
April 26, 2012

Chairman Tiberi and Ranking Member Neal, I welcome this opportunity to offer testimony regarding the so-called “tax extenders.”

First and foremost, before discussing any specific tax provisions, I would like to state that we must break this cycle of reauthorizing or renewing tax provisions retroactively after they have already expired on December 31st of the previous year. It creates uncertainty for American families and businesses, impeding their ability to plan for the future and can also make it difficult for them to make more immediate financial decisions.

More to the focus of today’s discussion, as co-chair of the Philanthropy Caucus with Chairman Tiberi, I would like to express my support for the charitable IRA rollover provision. Since passed in 2006, this provision has been a popular way for people 70½ years and older to make donations to local charities by transferring funds from their individual retirement accounts. In a great statement of love for their fellow citizens and their communities, they choose to donate their money and give back to the people and places that helped them prosper.

In reenacting this expired tax provision, Congress has a wonderful opportunity to support and promote charitable giving. As we all know, many Americans are struggling due to high unemployment rates, the financial crisis, and the decline in the housing market. The demand for the services of local charities and foundations in our communities has never been greater. Even the most modest gifts assist the many worthy causes in our communities.

In addition to the charitable IRA rollover provision, I support a number of other expiring (and expired) tax provisions that are the focus of this hearing. These provisions include, but are not limited to, the following:

- incentives for biodiesel and renewable diesel;
- the new energy efficient home credit;
- the deduction for certain expenses of elementary and secondary school teachers;
- the above-the-line deduction for qualified tuition and related expenses;
- parity for exclusion from income for employer-provided mass transit and parking benefits;
- the expansion of adoption credit and adoption assistance programs;
- the exclusion of discharge of indebtedness on principal residence;
- the New Markets Tax Credit;
- the employer wage credit for employees who are active duty members of the uniformed services;
- 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements;
- the enhanced charitable deduction for contributions of food inventory;
- the enhanced charitable deduction for contributions of book inventories to public schools;
- the enhanced charitable deduction for corporate contributions of computer inventory for educational purposes;

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- the deduction allowable with respect to income attributable to domestic production activities in Puerto Rico;
- empowerment zone tax incentives;
- tax incentives for investment in the District of Columbia;
- temporary increase in limit on cover over of rum excise taxes to Puerto Rico and the Virgin Islands;
- the Work Opportunity Tax Credit;
- the temporary exclusion of 100 percent of gain on certain small business stock;
- the employer wage credit for activated military reservists; and
- the increased section 179 amounts (\$500,000/\$2 million) and expanded definition of section 179 property.

For the sake of brevity, I will not indulge in a deep discussion of each of these tax provisions. Suffice it to say they are of great value to millions of American workers, families, and local businesses, and I believe an important investment in the future of our country.

I thank you again for the opportunity to testify, and look forward to working with both of you as the Ways & Means Committee continues its work on tax extenders.